



# State of North Carolina

## Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

September 5, 2002

MEMORANDUM NO. PR2002-016

TO: All Agencies Served by the State Controller's Office  
Payroll Section

FROM: Roger Farmer  
Payroll Administrator

SUBJECT: Payroll Cycles and Pay Type Illustrations

This memorandum includes a listing of Payroll Cycles grouped into three categories. These categories are as follows:

Repeating Cycles  
Non-Repeating Cycles  
Gross Pay Reset To Zero Cycles

We are also providing additional instructions and illustrations concerning the PAY TYPES. The illustrations cover the three cycle categories mentioned above. If there are any questions, please contact our office.

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## **PAYROLL CYCLES**

<b>REPEATING</b>		<b>NON-REPEATING</b>	
A	Monthly	H	Negative Special
I	Bonus	Q	Special
M	Premium	S	Re-Write
O	Longevity		
C	Temporary	<b>GROSS PAY RESET TO ZERO</b>	
D	Short Term Disability	B	Temporary Solutions
E	Semi-Monthly	F	Temporary Nurses
J	Supplemental	G	Monthly Temporary
P	Summer School	K	Students
V	Law Allowance	N	Personal Service Contract
		Y	National Guard

## PAY TYPE ILLUSTRATIONS

Pay types consist of a two-digit field. The first digit identifies the type of pay. The second digit identifies the action to be taken.

### FIRST DIGIT

### Second Digit

R = Regular  
L = Longevity  
E = Other  
F = Shift  
O = Overtime  
T = Straight Time  
H = Holiday  
C = OnCall

\* = This digit can only be use with 'R' as the first digit. The purpose of this digit is to allow your agency to create a split using the original employees non-split line and another pay amount that will go away after the payroll has been processed. Please see illustration number one listed below under repeating payrolls..  
X = The action of this digit is to allow the agency to create a split that will remain and not be reset. The 'X' will be used for the second digit of the employee's original non-split pay amount. The second, third and etc lines will also use an 'X' for the second digit.  
Z = The action of this digit is to remove items identified by this letter, after the payroll has been processed.

### DATA USED FOR ILLUSTRATIVE PURPOSES

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EMPLOYEE GROSS PAY (ORIGINAL – before any split operation)	\$1,000.00
First other pay split item	100.00
Second other pay split item	200.00
Shift pay item	300.00
Overtime pay item	400.00

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## REPEATING PAYROLL ILLUSTRATIONS

CYCLES (A-I, M, O-, C, D, E, J, P and V)

### ILLUSTRATION ONE

The employee is to be paid their regular salary amount of \$1,000 plus a one time payment of \$300 for shift pay and \$400 for overtime pay on the 'A' cycle payroll, without using the premium pay screen. The PAY TYPES would be as follows:

Current Pay	1,700.00			
		<b>PT</b>	<b>(PAY TYPE)</b>	
Employee Gross	1,000.00	R*		
Shift Pay	300.00	FZ		
Overtime	400.00	OZ		

### WHAT HAPPENS?

After the monthly payroll has been processed, the system will note that there is a 'Z' in the second digit of the pay type indicator. The 'Z' indicates that the split lines for the shift pay and overtime pay should be discarded. The amounts of \$300 and \$400 will be backed out of the Currant Pay amount. The 'R\*' is also noted by the system and the \$1,000 is reset back as a non-split item in the amount of \$1,000. Only the \$1,000 item will appear on the next month's payroll transmittal. Note that no agency intervention is required the next month.

## ILLUSTRATION TWO

The employee is to be paid their regular salary amount of \$1,000 plus two other pay amounts of \$100 and \$200. These amounts are to be paid to this employee over several months. This situation requires that the payment will be set up as a split, which will endure over several months. The PAY TYPES would be as follows:

Current Pay	\$1,300.00	<i><b>PT</b></i>
Employee Gross	1,000	RX
First Split Item	100	RX
Second Split Item	200	RX

## WHAT HAPPENS?

After the monthly payroll has been processed, the system will note that there is an 'X' in the second digit of the pay type indicator. The 'X' indicator tells the system that all of the split lines are to remain until they are manually reset by the agency. The split will appear on the next months 'A' cycle transmittal exactly as it appears above.

## ILLUSTRATION THREE

The employee is to be paid on a one-time basis the \$300 shift pay and the \$400 overtime pay. In addition the employee is to receive over several months their regular salary amount of \$1,000 plus the first and second split amounts of \$100 and \$200 respectively. The PAY TYPES are as follows:

Current Pay	2,000.00	<i><b>PT</b></i>
Gross Pay	1,000.00	RX
Shift Pay	300.00	FZ
Overtime Pay	400.00	OZ
First Split Item	100.00	RX
Second Split Item	200.00	RX

## WHAT HAPPENS?

The system will recognize the 'Z' in the second digit of the pay type. The shift and overtime split items will be automatically deleted. The Shift pay amount of \$300 and the Overtime pay amount of \$400 will be subtracted from the \$2,000 Current Pay amount so that the new Current Pay amount will be \$1,300. The system will recognize the 'X' in the second digit of the pay type and keep these split lines on the transmittal for the next month, or until changed manually.

## NON-REPEATING PAYROLLS AND PAYROLLS WITH GROSS PAY RESET TO ZERO

CYCLES (H, Q and S)

CYCLES (B, F, G, K, N and Y)

The Non-Repeating payroll cycles go away after the payroll has been processed. The format of the Pay Type for these cycles will be (?Z), where the '?' can be any of the FIRST DIGIT Pay Types. The cycles for Payrolls with Gross Pay Reset To Zero have their splits deleted and their Gross Pay set to zero after the payrolls are processed. The Pay Type for these cycles will also be (?Z), where the '?' can be any of the FIRST DIGIT Pay Types.

## ILLUSTRATION ONE

A net or gross PC Refund is being entered using the 'H' cycle. Under either situation the amount of the Gross Pay is \$1,000. It is assumed that this amount is for the employee's regular salary. The PAY TYPE used is as follows:

Gross Pay	1,000.00	<i><b>PT</b></i>
		RZ

The FIRST DIGIT of the Pay Type could be any of the codes used in the Pay Type Table, depending on the source of wages. The SECOND DIGIT of the Pay Type **MUST BE a 'Z'**.

## WHAT HAPPENS?

After the payroll is processed the 'H' cycle goes away

## ILLUSTRATION TWO

The employee is paid for \$1,000 on the 'Q' cycle. The payment is considered regular wages. The Pay Type used is as follows:

Gross Pay	1,000.00	<i><b>PT</b></i>
		RZ

Note that if the Gross pay had been for Longevity the Pay Type would have shown 'LZ'

## WHAT HAPPENS?

Since this is an 'Q' cycle, the pay goes away after the payroll is processed.

## ILLUSTRATION THREE

The employee receives a payment of \$1,000, which is considered regular wages under one subhead. The employee is paid an additional regular wages of \$100, under a different subhead. This split payment is made on the 'Q' cycle. Since this is a split situation, the Pay Types will be entered in the split section of the 'Q' cycle screen. The Pay Type would be entered into the Pay Type field above the split line, if there were only one item. The PAY TYPES are as follows:

Current Pay	1,100.00	
		<i><b>PT</b></i>
Gross Pay	1,000.00	RZ
Split item	100.00	RZ

## WHAT HAPPENS?

The information is shown as a split on the Payroll Register.

The record goes away after the payroll is processed because it is a 'Q' cycle.

REMINDER: The illustrations shown on the 'Q' cycle could just as well have been shown on the 'S' cycle. The reason that the 'Q' cycle was used instead of the 'S' cycle is that it was assumed that the employee had already received one payment for the month. Therefore, the supplemental tax structure would apply.

#### ILLUSTRATION FOUR

For this illustration, the student is being paid on the 'K' cycle. The 'K' is one of the payrolls that drops the split information and changes the Gross Pay back to zero, after the payrolls are processed. The employee is being paid regular wages of \$1,000 plus split payments of \$100 and \$200 under different subheads. Due to an unusual situation, the student qualifies for both a \$300 Shift Pay and a \$400 Overtime payment.

Current Pay	2,000.00	<i><b>PT</b></i>
Gross Pay	1,000.00	RZ
First Split	100.00	RZ
Second Split	200.00	RZ
Shift	300.00	FZ
Overtime	400.00	OZ

#### WHAT HAPPENS?

The student is paid on the 'K' cycle. The split information appears on the Payroll Register for that month. After the payroll is processed, the splits are dropped and the pay is reset to zero.